

when the bank again declared that it was well supplied with cash and was ready to resume. A bill was brought in on April 9, 1802, only thirteen days after the signature of the definitive treaty, to continue the restriction until March 1, 1803, and the restriction was continued again on February 28, 1803, until six weeks after the beginning of the next session of Parliament. War broke out before this elate arrived and the restriction was continued until six months after the ratification of a definitive treaty of peace. No such treaty was ratified until after the abdication of Napoleon in the spring of 1814, when the problem of restriction was again taken up.

The price of gold began to rise in September, 1799, and in June, 1800, had reached $\text{£} 55$. per ounce, which was about seven shillings above the mint price.¹ Exchange with Hamburg fell and the unfavorable state of the exchanges was made an excuse for postponing the resumption of specie payments after the peace of Amiens. The fact that the unfavorable exchange was due to the depreciation of the currency was denied or evaded by the Parliamentary leaders and Mr. Addington, the Chancellor of the Exchequer, urged that the restriction be continued because, "c for several months past, there has been a trade carried on for purchase of guineas with a view to exportation."

¹ The mint price of gold was $\text{£} 3 17 \frac{1}{2}$ s., which was four and a half pence above the market price, in order to cover the cost of coinage and the loss of interest while the bullion was detained in the mint. The value of gold coins was fixed as they exist to-day in 1717, when it became necessary, upon the recommendation of Sir Isaac Newton, to reduce the coining value of the gold in the guinea to arrest the exportation of silver. The reduction made the ratio of gold to silver about fifteen and a quarter to one, but as the ratio in France and Holland was about fourteen and a half, it continued to be profitable to export silver from England to those countries and to import gold into England. Silver disappeared from circulation, gold became the sole metallic medium of exchange, because it was the cheaper metal at the legal ratio, and the law of 1816, which gave England the gold standard, simply recognized in law what had been the fact prior to the suspension of cash payments.